



Order Filed on March 31, 2017
by Clerk
U.S. Bankruptcy Court
District of New Jersey

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY
Caption in Compliance with D.N.J. LBR 9004-1

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*Proposed Counsel to the Debtors
and Debtors-in-Possession*

In re:

Cinram Group, Inc., *et al.*,¹

Debtors.

Chapter 11

Case No. 17-15258 (VFP)

(Jointly Administered)

**ORDER AUTHORIZING REJECTION OF CERTAIN UNEXPIRED LEASES OF
NONRESIDENTIAL REAL PROPERTY AS OF THE PETITION DATE AND
GRANTING RELATED RELIEF**

The relief set forth on the following pages, numbered two (2) through and including four (4), is hereby **ORDERED**.

DATED: March 31, 2017

A handwritten signature in black ink, appearing to read "Vincent F. Papalia".

Honorable Vincent F. Papalia
United States Bankruptcy Judge

¹ The Debtors in these chapter 11 cases and the last four digits of each Debtor's taxpayer identification number are as follows: Cinram Group, Inc. (0588), Cinram Property Group, LLC (9738), and Cinram Operations, Inc. (7377). The Debtors conduct all of their business affairs out of offices located at 220 South Orange Avenue, Livingston, New Jersey 07039.

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Upon consideration of the motion (the “Motion”)² of the above-captioned debtors and debtors-in-possession (collectively, the “Debtors”) for entry of an order (a) rejecting the leases specified on Exhibit 1 attached hereto (the “Leases”), effective as of the Petition Date, (b) authorizing the Debtors to abandon any Related Property in place at the Huntsville Property and/or the Hanover Property, (c) establishing a bar date, thirty calendar days after the date of entry of such order, by which the counterparties to the Leases must assert any and all claims arising from the rejection of the Leases or be forever barred from asserting any such claims, and (d) waiving, each to the extent applicable, the fourteen-day stay and related notice provisions of Bankruptcy Rules 6003, 6004, and 6006; and the Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Standing Order of Reference to the Bankruptcy Court Under Title 11* of the United States District Court for the District of New Jersey, entered on July 23, 1984, and amended on September 18, 2012; and venue being proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and this matter being a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and notice of the Motion being sufficient under the circumstances; and it appearing that no other or further notice need be provided; and the Court having determined that the relief sought in the Motion is in the best interests of the Debtors and their estates and creditors; and the Court having considered the limited objection and reservation of rights of Technicolor Home Entertainment Services, Inc. [Doc. No. 45], the objection of SIR Properties Trust (“SIR”) [Doc. No. 46], the Debtors’ omnibus reply in further support of the Motion [Doc. No. 52], and the evidence and arguments of counsel presented at a hearing on the Motion held on

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

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March 29, 2017; and for the reasons set forth on the record on March 29, 2017; and after due deliberation and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED as set forth herein.
2. Because the Debtors have demonstrated that immediate rejection of the Leases is a sound exercise of the Debtors' business judgment, the Leases are hereby deemed rejected, effective as of the Petition Date, except that the Hanover Lease is deemed rejected as of March 29, 2017.
3. Because the Debtors have demonstrated that the Related Property is burdensome to their estates, is of inconsequential value, and/or is of inconsequential benefit to their estates, the Debtors are authorized to abandon the Related Property in place. SIR may immediately dispose of the Related Property without further order of the Court and SIR is granted relief from the automatic stay to the extent necessary or appropriate to dispose of the Related Property. Abandonment of the Related Property by the Debtors and disposal by SIR shall be free and clear of claims, liens and encumbrances, including by any subtenant.
4. The counterparties to the Leases must file proofs of claim asserting any claims related to or arising out of the rejection of the Leases ("Rejection Damage Claims") on or before the first day that is at least forty-five (45) calendar days after the date of entry of this Order and is not a Saturday, Sunday, or legal holiday (the "Rejection Damage Bar Date"). Any Rejection Damage Claims not asserted in a proof of claim filed on or before the Rejection Damage Bar Date are hereby deemed disallowed pursuant to section 502(b)(9) of the Bankruptcy Code, and

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all counterparties to the Leases shall be, from and after the Rejection Damage Bar Date, barred, estopped, and enjoined from asserting any Rejection Damage Claims that were not timely filed in accordance with this paragraph; provided, however, that nothing in this paragraph shall impact any counterparty's ability to amend any timely filed Rejection Damage Claim, to the extent permitted by applicable law.

5. Because the Debtors have demonstrated that their estates and creditors would suffer immediate harm if this Order is not effective immediately, the fourteen-day stay and related notice requirements of Bankruptcy Rules 6003, 6004, and 6006, each to the extent applicable, are hereby waived and this Order shall be effective immediately upon entry.

6. Pursuant to Bankruptcy Rule 6006(g), this Order shall be deemed to constitute a separate Order with respect to each Lease.

7. This Court retains exclusive jurisdiction over all issues related to the implementation and interpretation of this Order.

8. The Debtors shall serve a copy of this Order on each of the counterparties to the Leases or their counsel promptly following entry hereof.

Exhibit A

Debtor Counterparty	Lease/Sublease Counterparty	Lease/Sublease	Leased or Subleased Premises
Cinram Group, Inc.	Brad Herr	Farm Lease dated October 2, 1987, together with all amendments, exhibits, and/or supplements thereto	Certain land adjacent to 501 Ridge Avenue, Hanover, Pennsylvania comprising a portion of the land leased to Cinram Group, Inc. pursuant to a Lease dated September 24, 2008
Cinram Group, Inc.	CT Acquisition Holdco, LLC	Sublease dated November 12, 2015, together with all amendments, exhibits, and/or supplements thereto. This rejection does not apply to the Consent to Sublease Agreement dated November 12, 2015.	4905 Moores Mill Road, Huntsville, Alabama
Cinram Group, Inc.	Hanover Foods Corporation	Month-to-month sublease	Portion of 501 Ridge Avenue, Hanover, Pennsylvania
Cinram Group, Inc.	Hanover Terminal, Inc.	Month-to-month sublease	Portion of 501 Ridge Avenue, Hanover, Pennsylvania
Cinram Group, Inc.	SIR Properties Trust	Lease dated September 24, 2008, together with all amendments, exhibits, and/or supplements thereto	501 Ridge Avenue, Hanover, Pennsylvania
Cinram Group, Inc.	SIR Properties Trust	Lease dated August 31, 2012, together with all amendments, exhibits, and/or supplements thereto. This rejection does not apply to the Consent to Sublease Agreement dated November 12, 2015.	4905 Moores Mill Road, Huntsville, Alabama